

Opening Statement of the Honorable Joseph R. Pitts
Subcommittee on Health
Markup of H.R. 1173, the “Fiscal Responsibility and
Retirement Security Act of 2011”
November 15, 2011

(As Prepared for Delivery)

This subcommittee has held two hearings on the CLASS program this year. The first hearing was on March 17, 2011, and the most recent hearing was on October 26, 2011, after the Department of Health and Human Services announced it was not moving forward with the implementation of the CLASS program “at this time.”

Even before its inclusion in the president’s health care law in March 2010, we were warned by the administration’s own actuary, the American Academy of Actuaries, members of Congress from both parties, and outside experts that the program would not be fiscally sustainable.

However, under a convenient budgetary gimmick, the CLASS program accounted for nearly half of the savings that proponents claimed Obamacare would produce.

During our last hearing, Assistant Secretary Greenlee testified that HHS had spent \$5 million in 2010 and 2011 trying to implement the program.

By November 14, 2011, after determining that the CLASS program could not meet the law’s 75-year solvency requirement, the department finally admitted what nearly everyone already knew – the CLASS program was not sustainable, and it could not be made so.

The intent behind the CLASS program, a voluntary program for long-term care insurance, was laudable.

Less than five percent of Americans purchase long-term care insurance, and yet most of us will end up needing it. Crushing medical costs are leading people to bankruptcy courts and already over-burdened Medicaid rolls.

Good intentions, however, do not make up for fundamentally flawed, actuarially unsound policies designed to show the illusion of savings.

During our October hearing, several of my colleagues seemed to be saying that if you believe there is a long-term care problem in this country and you want to be part of the solution, then you must defend the CLASS program.

They also implied that if you don’t defend the CLASS program, then you must either want people to suffer under the crushing weight of medical bills and inevitable poverty or you simply don’t care one way or the other if they do.

That is a false choice and a premise that I refuse to accept.

Supporting repeal of the CLASS program is not denying the existence of a very significant problem facing millions of Americans, nor is it a show of apathy towards those who are suffering.

There are many of us who want to tackle the long-term care situation our country faces, but we realize that CLASS is not the way to do it.

The Department of Health and Human Services has stopped attempts to implement this program.

Our subcommittee should support H.R. 1173, the “Fiscal Responsibility and Retirement Security Act of 2011,” which will officially repeal the CLASS program, and then move on to discuss real solutions to this problem.

The subcommittee will take up long-term care again, and I look forward to working with my friends on both sides of the aisle on this issue.